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SUMMARY

Agenda Item: D

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INDUSTRIALIZATION IN ECONOMICALLY LESS DEVELOPED COUNTRIES

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INDUSTRIALIZATION IN ECONOMICALLY LESS DEVELOPED COUNTRIES

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Summary

1./ Industrial development is the most important factor of economic progress in the less developed countries. The development of industrial production enables the country to reach a higher national income, to liquidate the one-sidedness of the economy, to diversify economic life, and to create new openings, new opportunities to work. Industrialization opens a way towards developing an advanced society.

2./ Development of industry, of course, does not preclude the possibility of developing other branches too of the economy /agriculture, fishing, etc./, though a successful development of the latter often depends on the existence of certain industrial activities, on the development of certain branches of industry.

3./ The absolute necessity of industrialization itself does not determine, what branch or branches of industry should be developed in various countries. That must be decided upon with great care and circumspection. Above all, it must be established what are the factors that affect most the fixing of the objectives for industrial development.

Such factors are in any case:
the natural resources of the country,
the state of development in other fields of the economy /agriculture, other extractive branches, transport, etc./,
the general level of consumption of the population and its pattern,
the volume and pattern of foreign trade,
the labour supply.

Special care should be devoted to investigate the character and pattern of the industries already existing in the country and the development in process. Besides, special consideration should be given to the possibilities offering themselves for processing the countries' own raw materials, or more precisely:

what stage of processing is it advisable to set as a practical objective in this respect.

4./ Industrialization affects the whole economic and social life. The connections between industrial development and the diverse fields of economic and social life must, therefore, also be revealed, e.g.:

Exploitation of sources of energy, supply of energy, transport problems /freight and passenger transport/, Labour supply /from highly qualified personnel to unskilled labour/,

Public health,

Housing,

Trade /in connection with the growing demands of the population/,

Foreign trade /in connection with the increasing industrial activity/

5./ Problems connected with international co-operation:

a./ Ensuring the means, machines, and equipment needed for the development of industry; their installation;

b./ International co-operation in training and securing skilled labour,

c./ Marketing of industrial products,

d./ International financial assistance.

For the last 15 years, the rate of industrialization in Hungary has been very quick indeed. True enough, Hungary had an industry before the war, too. The development since, however, has raised a number of problems connected with industrialization that might be instructive in several respects for such countries where industrialization is on a much lower stage.

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